

**BEFORE THE DEPARTMENT OF COMMERCE AND INSURANCE  
FOR THE STATE OF TENNESSEE**

**IN THE MATTER OF:**

**PARATRANSIT INSURANCE COMPANY,  
A MUTUAL RISK RETENTION GROUP**

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**No.: 04-047**

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**ORDER ADOPTING EXAMINATION REPORT WITH DIRECTIVE**

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Pursuant to Tenn. Code Ann. § 56-1-401, *et seq.* and 56-45-101, *et seq.*, the Insurance Division of the State of Tennessee Department of Commerce and Insurance (hereinafter referred to as the "Division") has examined certain affairs of Paratransit Insurance Company, a Mutual Risk Retention Group (hereinafter also referred to as the "Company"), an insurance company domiciled in the State of Tennessee. As a result of an examination conducted as of the 31<sup>st</sup> day of December, 2002, the examiner-in-charge filed with the Division, on the 10<sup>th</sup> day of March, 2004, a verified, written report on examination, and a copy of that report has been sent to Paratransit Insurance Company, a Mutual Risk Retention Group. (The Report on Examination of Paratransit Insurance Company, a Mutual Risk Retention Group, is attached hereto and marked as Exhibit A). The Division received written rebuttal to said examination report from the company on April 14, 2004. (A true and exact copy of the rebuttal to the examination report of Paratransit Insurance Company, a Mutual Risk Retention Group is attached hereto and marked as Exhibit B.)

Pursuant to Tenn. Code Ann. § 56-1-411, said examination report regarding the affairs of Paratransit Insurance Company, a Mutual Risk Retention Group, filed with the Insurance Division of the State of Tennessee Department of Commerce and Insurance on the 10<sup>th</sup> day of March, 2004, is hereby **ADOPTED** as filed with the following **DIRECTIVE**:

**RECEIVED**

**MAY 20 2004**

Dept. Of Commerce & Insurance  
Company Examinations

1. The Company is **DIRECTED** to comply with Tenn. Comp. R. & Regs., ch. 0780-1-46-.04 (1999), by maintaining a custodial agreement that complies with said rule, should the Company choose an authorized method of holding its securities that requires such an agreement.

The company shall comply with the directive contained in this order within thirty (30) days of its entry.

The adoption of this examination report shall not preclude the Department from imposing sanctions against Paratransit Insurance Company, a Mutual Risk Retention Group for potential violations of the Tennessee Insurance Law which may be revealed in the examination report, it being the intent of this Order Adopting Examination Report With Directive merely to adopt the examination report filed by the examiner-in-charge.

It is so **ORDERED**.

**ENTERED** this the 17th day of May, 2004.

Paula A. Flowers

Paula A. Flowers, Commissioner  
Department of Commerce and Insurance  
State of Tennessee

**PREPARED FOR ENTRY:**

Eric J. Stansell

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**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that a true and correct copy of the foregoing Order Adopting Examination Report as Filed has been messenger mailed to Larry C. Knight, Jr., Assistant Commissioner for Insurance, Department of Commerce and Insurance, and Don Spann, Chief Examiner, Department of Commerce and Insurance, and mailed, first class, postage prepaid, to Paratransit Insurance Company, a Mutual Risk Retention Group, P.O. Box 1330, Montpelier, Vermont 05601, on this the 19<sup>th</sup> day of May, 2004.

Eric J. Stansell

Eric J. Stansell  
Certifying Attorney